

Northern Lakes ECONOMIC ALLIANCE

A regional public/private economic development organization serving Antrim, Charlevoix, Cheboygan and Emmet Counties, Michigan, USA

DATE: Thursday, April 28, 2016

COMMITTEE: Senate Energy and Technology

Andy Hayes – Northern Lakes Economic Alliance Testimony

Good morning, Chairman Nofs, Vice Chairs Proos and Hopgood, and distinguished members of the committee and thank you for allowing me to be here today to speak about Michigan's energy future.

My name is Andy Hayes and I am the president of the Northern Lakes Economic Alliance — the NLEA is a four county public private partnership economic & community development organization serving Emmet, Charlevoix, Antrim and Cheboygan Counties. We were founded 32 years ago to support efforts to create and retain jobs in Northern Michigan.

On behalf of the alliance, I am here today to voice support for Senate Bills 437 & 438 and the Michigan-first energy solution they outline.

With power plants closing due to old age and federal environmental regulations it is imperative that a stable, reliable and affordable electric supply is available. For Michigan to continue to grow and prosper, our state needs a modern and reliable energy system. To accomplish this, investment must be made right here in Michigan..

The NLEA supports key components of Senate Bills 437-438 which will:

- Require all electricity suppliers to secure a minimum supply and demonstrate they have enough power to serve their customers.
 - If we expect companies to invest in Michigan, they must know that a reliable energy supply is available now and into the future.
 - SB 437-438 prioritizes reliability by ensuring that all Michigan energy suppliers have firm plans in place to serve their customers. This is not the case under Michigan's current energy policy, which allows out-of-state energy marketers to sidestep that requirement.
 - If any suppliers are unable to serve their customers, they put reliability at risk for all Michigan electric customers. With coal-plants closing, it is essential that every supplier be accountable for the long-term needs of their customers.
 - Everyone should be willing to play by the same rules. For example, in our territory we have three Michigan-based suppliers that have committed to Michigan with new power plant builds and long-term reliability plans. We need suppliers like these that are committed to the long-term success of Michigan.

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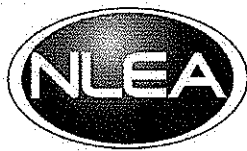
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(Andy Hayes, NLEA Testimony, page 2)

- Ensure Michigan makes the necessary infrastructure investments in new power plants to ensure long-term reliability.
 - More investment in Michigan will not only ensure modern and reliable energy, it will also send a clear message that Michigan means business and is a good place to invest and create jobs.
 - The changes coming to Michigan's energy landscape could bring billions of dollars of investment in Michigan. This is a once-in-a-generation type of economic opportunity for Michigan-based businesses and skilled trades. Michigan has a storied history of skilled trades and the reforms in SB 437-438 will help ensure Michigan workers at Michigan companies build the next generation of power for our state.
- We'd like to see programs continue that encourage utilities to help Michigan companies and residents conserve energy.
- Ensure all customers who choose to use the electricity grid – including those who rely on their own generation for part of their supplies – pay for their fair share of the grid.

Please take advantage of this critical time in our energy future and act to ensure Michigan has a reliable, sustainable and affordable energy future for years to come by supporting these key components of Senate Bills 437-438.

Thank you

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